



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2017 Biennium

Bill #	SB0055
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Title:	Revise traumatic brain injury contribution on vehicle registration to opt-out
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Primary Sponsor:	Hamlett, Bradley
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Status:	As Introduced
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| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>	<u>FY 2018 Difference</u>	<u>FY 2019 Difference</u>
Expenditures:				
General Fund	\$2,640	\$0	\$0	\$0
State Special Revenue	\$127,458	\$300,688	\$306,701	\$312,835
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$332,435	\$676,173	\$687,668	\$699,359
Net Impact-General Fund Balance:	<u><u>(\$2,640)</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Description of fiscal impact:

SB 55 revises the motor vehicle registration process making the Traumatic Brain Injury (TBI) fee opt-out. This change is anticipated to increase revenues for the TBI program. One-time operating expenditures for programming would be incurred for MERLIN system modifications (DOJ JITSD). The Motor Vehicle Division (MVD) would have one-time vendor expenditures for redesign of motor vehicle renewal notices and increased computer processing and staff time. In addition, county offices which act as agents for MVD, will experience increased workload in processing motor vehicle transactions. Individuals not electing to opt-out of the donation will pay increased vehicle fees.

Funds collected are distributed to the Department of Public Health and Human Services for the Traumatic Brain Injury (TBI) state special revenue account.

FISCAL ANALYSIS

Assumptions:

Department of Justice

1. Under present law, the department collects a donation of \$1 or more at the time of the motor vehicle registration process if the individual registering the vehicle indicates the desire to donate to the TBI program.
2. During FY 2014, \$13,554 in revenue was collected for the TBI state special revenue account from motor vehicle registration transactions.
3. In FY 2014, 880,587 motor vehicle registration transactions occurred. Applying an annual estimated growth rate of 1.7%, future vehicle registrations are projected as follows:
 - a. 910,781 in FY 2016
 - b. 926,265 in FY 2017
 - c. 942,011 in FY 2018
 - d. 958,025 in FY 2019
4. SB 55 is effective January 1, 2016 (the second half of FY 2016).
5. SB 55 automatically charges the consumer a \$1 fee for the TBI state special revenue account unless the consumer elects to opt-out of the fee.
6. The state parks fee is an opt-out fee. Current participation in the state parks fee program is approximately 73%, meaning that 27% of individuals elect to opt-out of paying the fee for use of state parks.
7. It is assumed that the TBI program would experience the same 73% participation rate as the state parks fee program.
8. Assuming 27% of individuals elect to opt-out of the TBI program fee, revenues for the program are estimated to increase to the amounts listed below:
 - a. FY 2016 \$332,435
 - b. FY 2017 \$676,173
 - c. FY 2018 \$687,668
 - d. FY 2019 \$699,359

Information Technology Services Division



9. Information Technology Services Division (ITSD) will need to hire a contractor to reconfigure code in the statewide database. It is estimated that reconfiguration will take 40 hours at an hourly rate of \$110 totaling \$4,400 (40 x \$110 = \$4,400). This will be a one-time expenditure in FY 2014 and is funded 60% general and 40% state special revenue.

Department of Public Health and Human Services

10. Activities that would be funded with these revenues include:
 - a. In the first six months of the program, DPHHS will conduct a listening tour at a minimum of five sites dispersed across Montana to seek public input on the Traumatic Brain injury program and what services and funding are desired. It is estimated that approximately \$700 per site or \$3,500 total will be spent on organizing, hosting, and related expenses for the listening tour.
 - b. With the available revenue, a state brain injury coordinator would be hired. This position would coordinate efforts toward both the brain injury prevention and the service provisions of the TBI program. Salary and benefits are estimated at \$43,613 for six months in FY 2016 and \$89,268 in FY 2017. There will also be an additional cost of \$2,875 for a new employee office package for FY 2016 as well as ongoing operating costs of \$1,420 per year (\$710 first six months) with 2% inflationary increases in FY 2018 and FY 2019.

- c. The Brain Injury Help Line is a service which provides assistance to people with brain injuries and their families. The TBI contribution in this bill would be used to augment the ongoing operations of the help line which is currently funded at \$100,000 per year general fund in the Senior and Long Term Division. The estimated cost of this increase is \$25,000 annually (with \$12,500 for the first 6 months of 2016) with 2% increases for FY 2018 and FY 2019.
 - d. The department would establish contracts with local referral agencies that provide case management services and other personal assistance and support required for families and individuals with TBI on a local level. The department estimates four sites with a contract for \$30,000 per site. Two sites will be contracted in FY 2016 for the first six months totaling \$30,000 and the next two will be added for FY 2017, and continue each year thereafter with 2% inflationary increases for FY 2018 and FY 2019. (4 sites X \$30,000 = \$120,000)
 - e. An existing function of the \$100,000 TBI fund is to provide grants for public information and prevention education. This program would now be funded through the new revenues created by the TBI contribution. This amount is estimated at \$50,000 annually for providing education and prevention education activities with \$25,000 for the first 6 months of FY 2016 and 2% inflationary increases for FY 2018 and FY 2019.
 - f. TBI funds contributions have been used by the department to fund grants for local TBI support groups. \$15,000 would be utilized annually from the TBI contribution revenues to fund to provide peer support and assist with local resources for TBI. This would equate to \$7,500 for the first six months of FY 2016 and additional 2% inflationary increases for FY 2018 and FY 2019.
11. It is assumed that revenues collected in excess (if any) of the expenditures outlined above would be dedicated to TBI-based purposes based on input from the statewide listening tours in subsequent budgets.

	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>	<u>FY 2018 Difference</u>	<u>FY 2019 Difference</u>
<u>Fiscal Impact:</u>				
FTE	1.00	1.00	1.00	1.00
<u>Expenditures:</u>				
Personal Services	\$43,613	\$89,268	\$91,053	\$92,874
Operating Expenses	<u>\$86,485</u>	<u>\$211,420</u>	<u>\$215,648</u>	<u>\$219,961</u>
TOTAL Expenditures	<u><u>\$130,098</u></u>	<u><u>\$300,688</u></u>	<u><u>\$306,701</u></u>	<u><u>\$312,835</u></u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$2,640	\$0	\$0	\$0
State Special Revenue (02)	<u>\$127,458</u>	<u>\$300,688</u>	<u>\$306,701</u>	<u>\$312,835</u>
TOTAL Funding of Exp.	<u><u>\$130,098</u></u>	<u><u>\$300,688</u></u>	<u><u>\$306,701</u></u>	<u><u>\$312,835</u></u>
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	<u>\$332,435</u>	<u>\$676,173</u>	<u>\$687,668</u>	<u>\$699,359</u>
TOTAL Revenues	<u><u>\$332,435</u></u>	<u><u>\$676,173</u></u>	<u><u>\$687,668</u></u>	<u><u>\$699,359</u></u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$2,640)	\$0	\$0	\$0
State Special Revenue (02)	<u>\$204,977</u>	<u>\$375,485</u>	<u>\$380,967</u>	<u>\$386,524</u>

Sponsor's Initials Date 1-6-15 Budget Director's Initials Date 1/5/15